

Canada Elections Act

Columbia, Manitoba, Ontario and Nova Scotia. In fact, approximately three-quarters of the funds of the New Democratic Party are raised by the provincial sectors.

When the next federal election is called, every provincial sector is assigned a quota of funds which they may raise for the federal party. Under this legislation, those contributors are entitled to receipts for the purposes of tax credits. I suspect that is the case in the Progressive Conservative party as well.

The hon. member refers to this as a loophole or something which is sinister, but this is the first time it is out in the open for everyone to see. That can hardly be called sinister, and certainly it is not a loophole. It is an incentive and encouragement for more Canadians to take an active part in the political affairs of their country by supporting the party or the candidate they choose. Surely that is healthy in a democratic society.

Also the hon. member referred to deductions for the purpose of federal tax credits which are given to provincial constituencies, as well as municipal ones. Again he inferred that this was something sinister and unheard of. Tax credits or deductions for income tax purposes are allowed by the federal government for thousands of corporations and, more particularly, for charitable organizations that are licensed only to operate municipally or provincially. If a person makes a contribution to a provincial charity, he is allowed to deduct it from his income tax. If we follow what the hon. member is indicating in his motion to its logical conclusion, then only contributions to federal charities could be used for income tax purposes. I am sure the provincial Red Cross groups and other organizations would not be in agreement with that type of legislation.

The minister referred to this as being an administrative nightmare. If this motion were to pass, I suspect the commissioner of election expenses, who works out of the office of the Chief Electoral Officer, would require at least 100 people on his staff. Their duties would involve the inspection of books, bank accounts, receipts, and the operations of 281 federal constituencies, five or six federally registered parties, and over 700 provincial constituencies. The receipts, bank accounts, deposits and the issuing of funds would have to be examined. Also there are three to six parties in every province. Their books, accounts, receipts and payouts would have to be examined. I doubt very much if the Chief Electoral Officer or his election expenses commissioner would have the authority to look into the operations of all sectors of every political party. This would have to be done in every province of Canada, which is ridiculous. I was hoping the hon. member would give up after the first five minutes of his speech.

In closing, I suggest a more positive way of improving the present legislation, the tax credit provisions. It seems to me there would be nothing wrong with the Minister of Finance (Mr. Chrétien), when he brings down his budget in the spring, announcing a minor change in the provision for tax credits for political contributions. It would require a slight change in the income tax form.

My suggestion is: in the province of Saskatchewan, as an example, the provincial income tax rate is 38 per cent of the

[Mr. Benjamin.]

federal tax payable. A person could deduct a tax credit with respect to a political contribution from his total federal tax first. Then he would have 38 per cent of the remaining federal tax payable which would be his provincial tax payable. That would automatically reduce the actual amount of his provincial tax payable. In other words, both the provincial and federal jurisdictions would make allowances for tax credits in regard to political contributions.

I hope the Minister of Finance will consult with his counterparts in the ten provinces. In order to include this in the budget which will be forthcoming in the spring, all that is required is one paragraph. This would make the hon. member who has moved this motion feel better. It would divide the tax credit among the provinces and the federal government. I see nothing wrong with that. In any event, even without it, the federal tax credit for contributions to political parties is one of the most progressive and advanced steps made in Canadian politics in many years since we got universal suffrage.

● (2042)

All our political parties on the federal level also operate on the provincial level, and in some parts in Canada on the municipal level, and it is the same money. They work together as an instrument for social and economic change. The benefits that the nation allows by way of tax credit for political contributions is a positive incentive and an encouragement for more Canadians to take a more active part in politics, particularly in the financing of politics and, more essentially, the financing of political parties in which they choose to believe and the candidates whom they choose to support. I hope the House will give this motion very short shrift.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Deputy Speaker: I declare the motion defeated on division.

Motion No. 3 (Mr. Dick) negatived.

Mr. Deputy Speaker: The House will now proceed to motion No. 5 on the acceptability of which Mr. Speaker has some doubts. I am ready to receive arguments from the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) or other